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SUBJECT: STRIKE TWO FOR CONSTITUTIONAL CHANGE

REF: MANILA 4502

¶1. (SBU) Summary: As opponents, including the Catholic Bishops' Conference, planned rallies and protests against transforming the lower House of Congress into a constituent assembly to amend the Constitution, House Speaker Jose de Venecia on December 9 instead called on the Senate to support a constitutional convention. Planning for the May 2007 national elections will proceed as planned, with the only outstanding issue whether or not simultaneously to vote for delegates for a constitutional convention. Despite the charter change distractions, Congress has continued to make progress on some important legislation -- record time deliberations on the national budget, approval of a bill partially to automate the May 2007 elections, ratification of the UN Convention Against Corruption, and even one step closer towards approving an Anti-Terrorism bill. End Summary.

DEATH OF THE CONSTITUENT ASSEMBLY MODEL?

¶2. (U) Following the defeat in the Supreme Court of a "People's Initiative" (reftel) to amend the Constitution to transform the current bicameral presidential system to a unicameral parliamentary model, charter-change proponents in the House of Representatives, led by Speaker De Venecia, have focused their efforts on amending the Constitution through a constituent assembly, in which the existing Congress could amend or revise the Constitution "with a vote of three-fourths of its Members." Initially arguing that this provision did not require separate votes in the two Houses and claiming he had enough votes in the lower House to achieve the three-fourths majority of the total number of Congressmen and Senators, de Venecia then had to resort to a strategy of amending the House rules to permit the formation of a constituent assembly by the lower House only. The House "invited" the Senate to attend nonetheless, but de Venecia indicated that the House-formed constituent assembly would begin deliberations on December 12.

¶3. (SBU) Opponents to the House decision quickly condemned the move as hasty, manipulative, and unconstitutional. The Catholic Bishops' Conference of the Philippines (CBCP) organized a national prayer gathering to denounce the planned assembly. The Bishops, in a pastoral letter to their congregations, made the Church's message clear: "No to Constituent Assembly" and "No to Postponement of May 2007 Elections." The Bishops of Baguio and Iloilo separately described their strong opposition to the current constituent assembly approach in discussions with Ambassador and DCM, on December 7 and 8. "Brother Mike" Velarde, of the charismatic Catholic group El Shaddai, also called on his congregations to oppose any moves towards a constituent assembly. The influential Iglesia ni Cristo had also indicated it would add

its opposition. All but one of the current 23 Senators signed a resolution declaring the House move unconstitutional, adding more fuel to the fire against de Venecia's plan.

¶4. (U) In an emotional press conference on December 9, de Venecia announced that he was willing to postpone the constituent assembly and entertain calls for a constitutional convention instead. He proposed election of the delegates simultaneously with the May 2007 elections, which he indicated he would no longer seek to delay. De Venecia asked that the Senate decide by December 13 whether it would support this move; if not, he promised to return to his constituent assembly model. The Senate overwhelmingly rejected the three-day deadline but initiated hearings on a constitutional convention on December 11. In a majority caucus of the House on Monday, allies of de Venecia encouraged him to surrender the constituent assembly and focus on a constitutional convention, citing in part clear signals from Malacanang.

CONGRESS SLOW BUT NOT STALLED

¶5. (SBU) Despite the charter change debates, Congress has continued to press forward with its legislative agenda, in consultation with Malacanang. Most notably, at record speed, the Senate approved the 2007 national budget, which is estimated at USD 23 billion. The Senate's version is lower than that of the House, so a bicameral conference will have to thresh out a compromise before Congress adjourns on December 22. In 2006, the government operated on a reenacted budget from the previous year due to Congress's failure to approve the budget bills.

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¶6. (U) Another landmark legislation was "The Poll Computerization Bill," which will allow the Commission on Elections to pilot-test automation machines in selected areas during the May 2007 elections. It only awaits a Presidential signature, although there is already open debate about whether there is still enough time and/or budget to prepare. On the heels of Transparency International's annual report listing the Philippines among the countries with very high perceived corruption, the Senate recently ratified the 2003 UN Convention Against Corruption. The Anti-Terrorism Bill, a version of which the House had already passed, has now moved forward in the Senate, albeit with major amendments to provide safeguards against possible law enforcement abuses. As amended, the bill will next move through a second reading in the Senate soon. It will inevitably face a bicameral conference to reconcile the two bills, but senior officials of the Presidential Legislative Liaison Office remain optimistic about the prospects.

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